

## Economics 657(L01) (Microeconomic Theory)

Instructor: Kenneth J McKenzie  
Phone: 403-220-4605  
Email: kjmckenz@ucalgary.ca

Lecture Location: SS 423  
Lecture Days/Time: TR 1400-1515

Office: SS 450  
Office Hours: TR 1230-1330

Fall 2023

---

### Course Description:

Introduction to advanced microeconomic theory. Topics include consumer theory, intertemporal choice, risk, producer theory, partial and general equilibrium welfare analysis, social welfare analysis, game theory, information economics as well as selected topics in behavioural economics.

### Course Outcomes:

The intention of the course is to provide students with an exposure to microeconomic theory at a first year graduate level. The objective is for students to be able to undertake relatively technical economic analysis and modeling, and to be able understand journal level research in microeconomic theory.

### Course Outline:

The course will cover the following topics (time permitting):

1. Consumer Theory
2. Measuring Individual Welfare Changes
3. Intertemporal Decision Making
4. Decision Making Under Risk
5. Producer Theory
6. Competitive Equilibrium and Welfare Analysis
7. Social Welfare Analysis
8. Market Failure 1: Market Power (Introduction to Game Theory)
9. Market Failure 2: Externalities and Public Goods
10. Market Failure 3: Asymmetric Information

### Prerequisites/corequisites:

Enrollment in the departmental M.A. program; familiarity with the material covered during Math Camp.

### Recommended Textbook(s):

Geoffrey A. Jehle and Philip Reny (2011), *Advanced Microeconomic Theory*, 3<sup>rd</sup> edition. Prentice Hall.

I will not be following this textbook explicitly, but it is a standard graduate textbook for a first course in microeconomic theory and is a useful reference and complement to the lectures. I will post detailed "slides" (more of the nature of lecture notes) on D2L.

**Other Textbooks:**

Andre Mas-Collell, Michael Whinston and Jerry Green (1995), *Microeconomic Theory*, Oxford University Press.

Robert Gibbons (1992), *Game Theory for Applied Economists*, Princeton University Press.

**Tutorials**

There will be occasional tutorials for the course (6-8 over the term), taught by the TA. Times and dates to be determined.

**Desire2Learn:**

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

**Grade Determination/Assessment:**

Assignments (3 or 4)	30%
Midterm Exam	25%
Final Exam	45%

The “official grading system” will be utilized, as follows:

Numerical (percentage) grades will be given for each component of the course. The numerical grade will then be converted to a letter grade according to the above criteria and the instructors assessment of the difficulty and nature of the assignment or exam. Thus, for one component a 75% may merit a B (3.00), while in another component a 75% may merit an B+ (3.30). The appropriate conversion table will be provided on D2L for each graded component when it is returned. To determine the final letter grade for the course the letter grade for each component will be assigned the Grade Point Value (GPV) indicated in the below table and a weighted average GPV determined. The weighted average GPV will then be converted back to a letter grade as per the table. The Department of Economics uses the following criteria when assigning letter grades:

Grade	Grade Point Value	Description
A+	4.00	Outstanding
A	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter
A-	3.70	Very good performance
B+	3.30	Good performance
B	3.00	Satisfactory performance
B-	2.70	Minimum pass for students in the Faculty of Graduate Studies
C+	2.30	All grades below “B-” are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. Individual programs may require a higher passing grade.

Students **MUST** receive a passing grade on the final exam (B- or higher) to pass the course.

There will be a department scheduled final examination, held in a classroom, lasting 2 hours. Non-programmable calculator will allowed during the writing of tests or final examinations. Tests and exams will not include multiple choice questions.

**Absence from a Test/Exam:**

THERE WILL BE NO MAKEUP OR DEFERRED EXAMS granted by the instructor under any circumstances, nor may exams be written early. A student unable to write the midterm exam because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write the final exam on the date assigned by the Department, they need to arrange for a deferred exam with the department.

**Assignments and ChatGPT:**

You may work together on assignments, however each individual must hand in their own assignment, showing their own work and written in their own words. **Directly copying an assignment from another student is prohibited; breaches will result in a failing grade on the assignment for all students involved.**

ChatGPT (and similar platforms) is a powerful artificial intelligence (AI) language model developed by OpenAI. It can answer questions and provide information on a wide range of topics with speed and often with accuracy. At its core, ChatGPT is a neural network that has been trained on massive amounts of text data. If used properly, it can be a powerful education tool and may assist in the understanding of concepts. Feel free to use it in this way.

However, you should understand that ChatGPT makes mistakes and does not always get things right. It is extremely important to critically evaluate any information provided by the platform.

Regarding the use of ChatGPT for assignments, there is little I can do to prevent it. However, consistent with the requirement that prohibits directly copying an assignment from another student, **directly copying an answer provided by ChatGPT (and similar platforms) for assignments is prohibited.**

Assignment answers that in my opinion were clearly generated by ChatGPT will receive a failing grade. I reiterate that ChatGPT can get things wrong. Indeed, test driving ChatGPT on past assignments for this course suggest it is of limited use, and in some case resulted in fairly egregious errors. Moreover, assignments are meant to help prepare you for exams, and simply copying an answer provided by ChatGPT or another student, as opposed to working your way through it yourself, does very little to help you in this regard.

**Notes:**

Students are responsible for all assigned material, e.g., tutorial material, supplementary material posted on D2L, regardless of whether or not the material was covered in lectures.

**Important Contact Information**

Campus Security and Safewalk (24 hours a day/7 days a week/365 days a year)

Phone: 403-220-5333

Faculty of Arts Undergraduate Students' Union Representatives

Phone: 403-220-6551

Email: [arts1@su.ucalgary.ca](mailto:arts1@su.ucalgary.ca), [arts2@su.ucalgary.ca](mailto:arts2@su.ucalgary.ca), [arts3@su.ucalgary.ca](mailto:arts3@su.ucalgary.ca),  
[arts4@su.ucalgary.ca](mailto:arts4@su.ucalgary.ca)

Students' Union URL: [www.su.ucalgary.ca](http://www.su.ucalgary.ca)

Graduate Students' Association

Phone: 403-220-5997

Email: [askgsa@ucalgary.ca](mailto:askgsa@ucalgary.ca)

URL: [www.ucalgary.ca/gsa](http://www.ucalgary.ca/gsa)

Student Ombudsman

Phone: 403-220-6420

Email: [ombuds@ucalgary.ca](mailto:ombuds@ucalgary.ca)

**Campus Mental Health Resources**

The University of Calgary recognizes the pivotal role that student mental health plays in physical health, social connectedness and academic success, and aspires to create a caring and supportive campus community where individuals can freely talk about mental health and receive supports when needed. We encourage you to explore the excellent mental health resources available throughout the university community, such as counselling, self-help resources, peer support or skills-building available through the following resources:

*SU Wellness Centre:* <http://www.ucalgary.ca/wellnesscentre/>

*Student Wellness Services:*

<https://www.ucalgary.ca/wellness-services/services/mental-health-services>

*Campus Mental Health Strategy website:* <https://www.ucalgary.ca/mentalhealth/>.

KJM

2023-08-02